

The MPSC now concedes that the provision in the Agreement that excludes vertical features from the unbundled local switching element is "apparently inconsistent with federal regulations upheld by the Eighth Circuit." MPSC Mem. at 14. It states that this matter "may well require further review by the MPSC." *Id.* BellSouth states that in light of the Eighth Circuit's decision, it will provide vertical features to AT&T as part of the local switch when the Eighth Circuit's ruling on this issue becomes final. It further asks the Court to remand this issue to the MPSC for it to "revisit the proper cost-based rates for the local switching element." BellSouth Mem. at 30.

In light of the Eighth Circuit's affirmance of the FCC's regulations respecting vertical features, the Court should direct that the MPSC implement the binding FCC regulations that require the inclusion of vertical features with the unbundled local switching element. There is no basis, as BellSouth suggests, for the MPSC to await Supreme Court review before implementing the FCC's regulations on this issue. The FCC concurs in BellSouth's request for a remand on this issue to allow the MPSC to revisit cost issues. Specifically, the issue should be remanded for the MPSC to determine whether the vertical features are already included in the cost of the local switching network, and, therefore, should not be priced separately, or whether they are not included and should be separately priced.

120 F.3d at 808. The Eighth Circuit also agreed with the FCC that classifying vertical features exclusively as retail services, available to competing providers only through the resale provision of Section 251(c)(4), would allow ILECs to evade a substantial portion of their unbundling obligation under Section 251(c)(3) of the Act. *Id.* at 809.

CONCLUSION

For the foregoing reasons, the FCC respectfully requests that, in reviewing the interconnection agreement approved by the Mississippi Public Service Commission, the Court be guided by the applicable provisions of the 1996 Act and the FCC's implementing regulations and statutory interpretations set forth herein.

Respectfully submitted,

GARY G. GRINDLER
Acting Assistant Attorney General

BRAD PIGOTT
United States Attorney

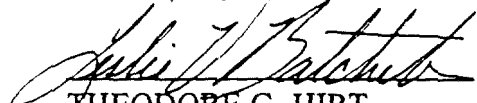
OF COUNSEL
CHRISTOPHER J. WRIGHT
General Counsel

JOHN E. INGLE
Deputy Associate General Counsel

STEWART A. BLOCK
SUSAN L. LAUNER
Counsel

Federal Communications
Commission

CARLTON W. REEVES
Assistant U.S. Attorney
188 E. Capitol Street
Suite 500
Jackson, MS 39201



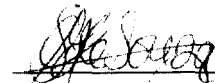
THEODORE C. HIRT
LESLIE V. BATCHELOR
BENJAMIN M. LAWSKY
U.S. Department of Justice
Federal Programs Branch
901 E. Street, N.W., Room 901
Washington, D.C. 20554
Telephone: (202) 514-3716

Attorneys for the Federal
Communications Commission

Date: December 3, 1997

CERTIFICATE OF SERVICE

I, Cassandra M. de Souza, do hereby certify that I caused a copy of the foregoing Reply Comments of AT&T Corp. in Opposition to BellSouth's 271 Application for Louisiana to be served by first class mail this 19th day of December, 1997, on all parties on the attached service list.



Cassandra M. de Souza

Service List

Magalie R. Salas
FEDERAL COMMUNICATIONS
COMMISSION
1919 M Street, NW
Room 222
Washington, DC 20554

Honorable Michael Powell
Commissioner
FEDERAL COMMUNICATIONS
COMMISSION
1919 M Street, NW
Room 844
Washington, DC 20554

Janice Myles
Policy and Program Planning Division
FEDERAL COMMUNICATIONS
COMMISSION
1919 M Street, NW
Room 544
Washington, DC 20554

Honorable Harold Furchtgott-Ruth
Commissioner
FEDERAL COMMUNICATIONS
COMMISSION
1919 M Street, NW
Room 802
Washington, DC 20554

William E. Kennard
FEDERAL COMMUNICATIONS
COMMISSION
1919 M Street, NW
Room 814
Washington, DC 20554

Joel Klein
Acting Assistant U.S. Attorney
U. S. DEPARTMENT OF JUSTICE
950 Pennsylvania Avenue, NW
Washington, DC 20530-001

Honorable Susan Ness
Commissioner
FEDERAL COMMUNICATIONS
COMMISSION
1919 M Street, NW
Room 832
Washington, DC 20554

Donald J. Russell
Telecommunications Task Force, Antitrust
Division
U. S. DEPARTMENT OF JUSTICE
1401 H Street, NW
Suite 800
Washington, DC 20005

Honorable Gloria Tristani
Commissioner
FEDERAL COMMUNICATIONS
COMMISSION
1919 M Street, NW
Room 826
Washington, DC 20554

Susan Cowart
LOUISIANA PUBLIC SERVICE
COMMISSION
1 American Place
Suite 1630
Baton Rouge, LA 70825

Michael K. Kellogg
Austin C. Schlick
Kevin J. Cameron
Jonathan T. Molot
William B. Petersen
KELLOGG, HUBER, HANSEN,
TODD & EVANS, P.L.L.C
1301 K Street, NW
Suite 1000 West
Washington, DC 20005

Lawrence C. St. Blanc
Executive Secretary
Louisiana Public Service Commission
P.O. Box 91154
Baton Rouge, LA 70821-9154

Theodore A. Livingston
Mayer, Brown & Platt
190 South LaSalle St.
Chicago, IL 60603

Richard J. Metzger, General Counsel
Association for Local Telecom. Services
888 17th Street, N.W.
Washington, D.C. 20006

Danny Adams
Kelley Drye & Warren
1200 19th St., N.W.
Washington, D.C. 20036
Counsel for Competitive
Telecommunications Ass'n

Walter H. Alford, General Counsel
BellSouth Corporation
1155 Peachtree Street, N.E.
Atlanta, GA 30367

Brad E. Mutschelknaus
Kelley Drye & Warren LLP
1200 Nineteenth Street, N.W., Suite 500
Washington, D.C. 20036
Counsel for ACSI

Rodney L. Joyce
Ginsburg, Feldman and Bress
1250 Connecticut Avenue, N.W.
Washington, D.C. 20036
Counsel for Ad Hoc Coalition
of Telecommunications Manufacturing
Companies and Corporate
Telecommunications Service Managers

Theodore Case Whitehouse
Willkie Farr & Gallagher
3 Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20036-3384

Richard J. Metzger, General Counsel
Association for Local Telecom. Services
888 17th Street, N.W.
Washington, D.C. 20006

Dana Frix
Swidler & Berlin, Chartered
300 K Street, N.W., Suite 300
Washington, D.C. 20007
Counsel for Hyperion Telecommunications
Inc.

Charles H. Helein
Helein & Associates, P.C.
8180 Greensboro Drive, Suite 700
McLean, VA 22102
Counsel for Independent Payphone Providers
for Consumer Choice

Jonathan E. Canis
Enrico C. Soriano
Kelley Drye & Warren LLP
12000 19th Street, N.W.
Suite 500
Washington, D.C. 20036
Counsel for Intermedia Communications

Douglas Kinkoph, Director of
Regulatory and Legislative Affairs
LCI International
8180 Greensboro Drive, Suite 800
McLean, VA 22102

John Windhausen, Jr.
General Counsel
Competiton Policy Institute
1156 15th Street, N.W., Suite 310
Washington, D.C. 20005

Susan Jin Davis
Keith L. Seat
Mary L. Brown
MCI Telecommunications Corporations
1801 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Robert L. Hoggarth
Senior Vice President
500 Montgomery Street, Suite 700
Alexandria, VA 22314-1561
The Paging and Narrowband
PCS Alliance

Russell M. Blau
Swidler & Berlin
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
Counsel for KMC Telecom, Inc.

Charles C. Hunter
Catherine M. Hannan
Hunter Communications Law Group
1620 I Street, N.W., Suite 701
Washington, D.C. 20006
Counsel for Telecommunications Resellers
Association

Thomas Jones
Wilkie Farr & Gallagher
Three Lafayette Centre
115 21st Street, N.W.
Washington, D.C. 20036
Counsel for Sprint Communications
Company, L.P.

Andrew D. Lipman
Swidler & Berlin, Chartered
3000 K Street, N.W., Suite 300
Washington, D.C. 20007-5116
Counsel for WorldCom, Inc.

Angela Ledford
National Campaign for Affordable
Telecommunications
P.O. Box 27911
Washington, D.C. 20005

Laura H. Phillips
Dow, Lohnes & Albertson, PLLC
1200 New Hampshire Ave., N.W.
Suite 800
Washington, D.C. 20036-6802
Counsel for Cox Communications, Inc.

Betsy Bayha
Director, Technology Policy
World Institute on Disability
510 16th St., Suite 100
Oakland, CA 94612-1502

Sherman N. Copelin, Jr.
President, National Business League
Management Education Alliance
107 Harbor Circle, New Orleans, LA 70126

Charles O. Conrad
Executive Director
Organisation Concerned about Rural
Education
1201 16th St., N.W.
Room 510
Washington, D.C. 20036